

REMARKS

Reconsideration and allowance of currently pending Claims 1-7, 25-26, 30-31 and 32 are requested in view of the following remarks. Claim 32 has been added as a new claim; support for this new claim can be found throughout the specification and drawings of the present application as originally filed.

Rejections under 35 U.S.C. §112

In the Office Action, claims 1 and 25 have been rejected under §112 as failing to comply with the written description requirement. More particularly, the Examiner states that he was unable to locate support for the amended claim limitation “negotiating terms for obtaining a revenue share interest in the asset management firm.” Applicants note that “to comply with the written description requirement of 35 U.S.C. 112, para. 1...each claim limitation must be expressly, implicitly, or inherently supported in the originally filed disclosure.” MPEP 2163. “When an explicit limitation in a claim ‘is not present in the written description whose benefit is sought it must be shown that a person of ordinary skill would have understood, at the time the patent application was filed, that the description requires that limitation.’” *Hyatt v. Boone*, 146 F.3d 1348, 1353, 47 USPQ2d 1128, 1131 (Fed. Cir. 1998). See also *In re Wright*, 866 F.2d 422, 425, 9 USPQ2d 1649, 1651 (Fed. Cir. 1989). However, it is not necessary that the term “negotiating” be set forth explicitly in the specification. See *Cordis Corp. v. Medtronic AVE Inc.*, 67 USPQ2d 1876 (Fed. Cir. 2003) (the patent specification must describe an invention in sufficient detail that one skilled in the art can clearly conclude that the inventor invented what is

claimed; however, the disclosure as originally filed does not have to provide *in haec verba* support, or a verbatim recitation of the claim limitations, for the claimed subject matter at issue).

The limitation “negotiating terms for obtaining a revenue share interest in the asset management firm” implicitly as well as inherently disclosed. There are a number of passages within the specification which imply negotiating. The following are some of the examples throughout the specification which require negotiation. For example at paragraph 21, it is disclosed that:

An embodiment of the present invention may have “optionality.” For example, the terms of the revenue share interest may be extended if certain revenue targets are not met, and the term may be shortened if certain revenue targets are exceeded. Other elements may also be adjusted in a similar manner.

This “optionality” clearly implies negotiations must take place. In paragraph 29, it is disclosed that “[t]he revenue share interest 140 may be expiring or perpetual.” This determination could only be made by negotiating this term.

Further, as disclosed in paragraph 33:

The amount of financing that a financing provider is willing to provide to an entity may depend upon various factors, the main factors being the term and percentage of the revenue share interest. Terms for this type of financing may include the amount of financing provided, the term of the revenue share interest, the percentage of the revenue share interest, the percentage of any final callable ownership interest, and the price of any such callable interest.

From the language of the above paragraph, the term of the revenue share interest is clearly not a standard term and thus must be negotiated. As disclosed in paragraph 39:

The agreement between the financing provider and asset management firm may include various terms and conditions to appropriately safeguard the financing provider’s investment.

Once again, these various terms and conditions must be negotiated.

According to the MPEP, “[t]he examiner has the initial burden of presenting evidence or reasoning to explain why persons skilled in the art would not recognize in the original disclosure a description of the invention defined by the claims.” MPEP 2163. See *Wertheim*, 541 F.2d at 263, 191 USPQ at 97 (“[T]he PTO has the initial burden of presenting evidence or reasons why persons skilled in the art would not recognize in the disclosure a description of the invention defined by the claims.”). Clearly, “a person of ordinary skill would have understood, at the time the patent application was filed, that the description requires” negotiating terms for obtaining a revenue share interest. *Hyatt v. Boone*, 146 F.3d 1348, 1353, 47 USPQ2d 1128, 1131 (Fed. Cir. 1998).

Rejections under 35 U.S.C. §103

In the Office Action, claims 1, 4, 25, 26, 30 and 31 have been rejected under §103(a) as being anticipated by Schulman (U.S. Pat. No. 7,149,719) alone or in combination with Adams (U.S. Pat. No 6,154,730) or Freund (U.S. Pub. No. 2004/0024671). Applicants respectfully traverse these rejections based on the previous amendments and the following remarks.

Applicants respectfully submit that the limitation “negotiating terms for obtaining a revenue share interest in the asset management firm” is neither explicitly nor inherently found in the cited Schulman, Adams and Freund references and that the independent claims, as presented, are not taught or suggested by Schulman whether taken alone or in combination with Adams or Freund.

The framework of an obviousness inquiry is defined by four factors. First, the scope and content of the prior art must be determined. Second, the differences between the prior art and the claims at issue must be determined. Third, the level of ordinary skill in the pertinent art must be resolved. Fourth, the origin of the subject matter of the patent application should be considered in light of secondary considerations such as commercial success, long felt but unsolved needs, failure of others, etc. See *KSR International Co. v. Teleflex Inc.*, 2007 WL 1237837 (U.S.), 82 U.S.P.Q.2d 1385; *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17-18, 148 U.S.P.Q. 459, 467 (1966).

Schulman discloses a financial product which provides a return that is a function of the issuer's future sales revenue. (see Schulman Abstract and col. 2, lines 12-14). The financial product uses standard forms with standard terms. (see Schulman Abstract; col. 2, lines 19-21; col. 3, lines 21-24). The term "standard" is defined by the American Heritage Dictionary as "normal, familiar or usual." The American Heritage Dictionary of the English Language, Fourth Edition, Houghton Mifflin Company, 2004 (at <http://dictionary.reference.com/browse/standard>). As further defined by Schulman, "the terms for the security are non-negotiable by the investors." (see Schulman col. 4, lines 13-14). These "standard" terms are provided to an issuer and to investors on a non-negotiable basis (i.e., a "take it or leave it" basis). These standard terms and forms are similar to a credit card agreement which a consumer enters into with a credit card provider. Upon being presented with the standard terms from the credit card provider, the consumer either accepts or rejects the terms. There is no negotiation between the consumer and the credit card company.

The underwriting costs associated with creating the financial instrument disclosed in Schulman are lower because the “underwriter deals in simple standard contracts.” (Schulman col. 7, lines 2-4). In addition, once these financial instruments are created, they can be easily traded on a secondary market because the terms are standardized. (see Schulman col. 3, lines 42-47). Therefore, Schulman does not disclose, teach, or suggest negotiating the terms for obtaining a revenue share interest.

In contrast to Schulman, the independent claims of the present application include “negotiating terms for obtaining a revenue share interest” among other elements. Applicants respectfully submit that this difference between Schulman and the present application renders the claims non-obvious. As discussed above, Schulman discloses using standardized forms embodying non-negotiable terms in order to decrease the underwriting costs and increase the liquidity of its financial instruments.

In rejecting the claims under §103, the Examiner cites Schulman for the premise that “[t]he terms must be decided upon by the issuer in order for the standard terms and forms to be created.” Office Action at pg. 4. While admitting that “Schulman recites ‘the terms are non-negotiable’,” the Examiner states that “this is only after the formation of the contract which becomes a standard product to be publicly traded.” Office Action at pg. 5. Applicants submit that, although the terms must be decided by the issuer before being presented as standard terms, once the issuer has decided on the terms unilaterally, these standard terms are offered as non-negotiable terms to the investors. The “negotiating terms” recited in Claim 1, for example, is conducted between “an entity, such as an asset management firm,” and “a financial provider or other specified party.” These negotiations are conducted on a mutual basis and are not the

equivalent of a unilateral determination of standard terms by the issuer as disclosed in Schulman. The fundamental, unilateral and non-negotiable determination of terms in Schulman teaches away from the present Claim 1. According to the Supreme Court, “[w]hen the prior art teaches away from combining certain known elements, discovery of successful means of combining them is more likely to be nonobvious.” *KSR International Co.*, 82 U.S.P.Q.2d at 1395.

As discussed above, Schulman fails to disclose, teach, or suggest, among other elements, “negotiating terms for obtaining a revenue share interest.” Furthermore, Adams and Freund fail to cure this deficiency in Schulman. Accordingly, applicants submit that independent claims 1, 25 and 32 are not anticipated and are non-obvious. Claims 2-7 and 30 depend from claim 1, and claims 26 and 31 depend from claim 25. As discussed above, claims 1 and 25 are allowable over Schulman. For at least this reason, claims 2-7, 26, and 30-31 are also allowable as claims depending from and further limiting an allowable claim.

Applicants respectfully request reconsideration and withdrawal of the obviousness rejections set forth in the Office Action.

Miscellaneous

Applicants submit that the dependent claims pending herein are allowable at least by virtue of their dependency on independent claims which, as applicants describe above, are patentable over the cited references. Applicants reserve the right, however, to make supplemental arguments as may be necessary, because the dependent claims of the present application include additional features that further distinguish the claims from the cited

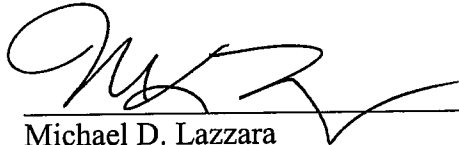
references. A detailed discussion of these distinctions is believed to be unnecessary at this time in view of the fundamental distinctions already set forth in the above remarks.

SUMMARY

Applicants submit that the present application is in condition for allowance and requests favorable action in the form of a Notice of Allowance. Should the Examiner believe that this application is in condition for disposition other than allowance, however, the Examiner is invited to contact the undersigned by telephone to address the Examiner's concerns.

Respectfully submitted,

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